

2023 Regular Session

SENATE BILL NO. 220

BY SENATOR FOIL

TAX/TAXATION. Provides relative to the income tax credit for donations to school tuition organizations. (8/1/23)

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AN ACT

To amend and reenact R.S.47:6301(B)(1)(c)(v) and (C)(2)(a), to enact R.S. 47:6301(B)(1)(c)(xiii) and (B)(3)(c), and to repeal 47:6301(C)(1)(c), relative to the credit for donations to school tuition organizations; to provide for the distribution of scholarship payments through electronic means; to require the school tuition organization to issue a receipt to the taxpayer indicating the amount of their donation; to provide for an exception to a requirement in the definition of qualified student for students with disabilities; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 47:6301(B)(1)(c)(v) and (C)(2)(a) are hereby amended and reenacted and R.S. 47:6301(B)(1)(c)(xiii) and (B)(3)(c) are hereby enacted to read as follows:

§6301. Credit; donations to school tuition organizations

* * *

B.(1)

* * *

(c) A school tuition organization which provides scholarships to qualified students shall do all of the following:

* * *

1 (v) Distribute scholarship payments in September, December, February, and
 2 May of each year as either electronic payments or checks made out to a parent of
 3 a qualified student which are transferred or mailed to the qualifying school where
 4 the student is enrolled. The parent shall restrictively approve or endorse the
 5 payment check for deposit into the account of the school. The parent shall not
 6 designate any entity or individual associated with the school as the parent's attorney
 7 to endorse a scholarship check. Any parent who receives payments in accordance
 8 with the provisions of this Section shall not be allowed to claim the amount received
 9 as any other credit, deduction, exemption, or rebate under Title 47 of the Louisiana
 10 Revised Statutes of 1950. If a student who has received a scholarship ceases to be
 11 enrolled in a qualified school, the school shall immediately notify the respective
 12 student tuition organization and the Department of Education that the student is no
 13 longer enrolled. Upon receipt of such notification, the student tuition organization
 14 shall cease making payments to the school for that student.

* * *

16 (xiii) Shall certify and issue a receipt to a taxpayer indicating the actual
 17 amount of the taxpayer's donation to the school tuition organization which was
 18 used to fund a scholarship.

* * *

20 (3) * * *

21 (c) For taxable periods beginning on or after January 1, 2024, an
 22 otherwise qualified student with a disability shall be exempt from the
 23 requirement of Subparagraph (a) of this Paragraph that the child be a member
 24 of a family with a total household income that does not exceed an amount equal
 25 to two hundred fifty percent of the federal poverty level based on the federal
 26 poverty guidelines established by the federal office of management and budget.

* * *

28 C.(1) * * *

29 (2)(a) The Department of Revenue shall provide a standardized format for a

1 receipt to be issued by the ~~Department of Education~~ to a school tuition organization.

2 The Department of Revenue shall require a taxpayer to provide a copy of the receipt
3 when claiming the credit authorized by this Section.

4 * * *

5 Section 2. R.S. 47:6301(C)(1)(c) is hereby repealed in its entirety.

6 Section 3. This Act shall be applicable for taxable periods beginning on or after
7 January 1, 2024.

The original instrument and the following digest, which constitutes no part
of the legislative instrument, were prepared by Danielle B. Clapinski.

DIGEST

SB 220 Original

2023 Regular Session

Foil

Present law provides an income tax credit for the donation made by a taxpayer to a school tuition organization that provides scholarships to qualified students to attend qualified schools.

Present law requires the school tuition organization to distribute scholarship payments in September, December, February, and May of each year as checks made out to the parent of the qualified student which are mailed to the qualifying school and restrictively endorsed for deposit into the account of the school.

Proposed law provides for an option for the scholarship payments to be made electronically and transferred to the qualifying school with the parent's restrictive approval of the payment for deposit into the school account and otherwise retains present law.

Present law requires the Department of Education to certify and issue a receipt to the taxpayer indicating the actual amount of the taxpayer's donation to the school tuition organization which was used to fund a scholarship.

Proposed law repeals present law and provides that the school tuition organization shall be required to certify and issue the receipt to the taxpayer indicating the actual amount of the taxpayer's donation to the school tuition organization that was used to fund a scholarship.

Present law defines a "qualified student" as a child who is a member of a family that resides in Louisiana with a total household income that does not exceed an amount equal to two hundred fifty percent of the federal poverty level based on the federal poverty guidelines established by the federal office of management and budget who also meet additional requirements.

Proposed law provides that an otherwise qualified student with a disability shall be exempt from the requirement that the child be a member of a family that resides in Louisiana with a total household income that does not exceed an amount equal to two hundred fifty percent of the federal poverty level based on the federal poverty guidelines established by the federal office of management and budget and otherwise retains present law.

Present law requires the Department of Revenue to provide a standardized form for a receipt to be issued by the Department of Education to a school tuition organization. The Department of Revenue shall require taxpayers to provide a copy of the receipt when claiming the credit.

Proposed law requires the Department of Revenue to provide a standardized form for a receipt to be issued by the school tuition organization and otherwise retains present law.

Applicable for taxable periods beginning on or after January 1, 2024.

Effective August 1, 2023.

(Amends R.S. 47:6301(B)(1)(c)(v) and (C)(2)(a); adds R.S. 47:6301(B)(1)(c)(xiii) and (B)(3)(c); repeals R.S. 47:6301(C)(1)(c))